

Clerk of the Privy Council and
Secretary to the Cabinet



Greffier du Conseil privé et
Secrétaire du Cabinet

Ottawa, Canada
K1A 0A3

MAR 06 2019

Mr. Anthony Housefather, M.P.
Chair
Standing Committee on Justice and Human Rights
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Housefather:

I am writing to provide additional factual information in response to requests made by committee members at my appearance on February 21, 2019. The committee will note that there are certain places where the information is not disclosed because it is confidential information. This is in keeping with the approach set out in section E.4. "Supporting Ministerial Accountability to Parliament" of *Open and Accountable Government*, 2015 (<https://pm.gc.ca/eng/news/2015/11/27/open-and-accountable-government>).

1. Notes taken by Catrina Tapley, Deputy Secretary to the Cabinet (Operations) at the September 18, 2018 meeting with officials of SNC-Lavalin

Attached is a copy of the handwritten notes, which have been redacted in two places to protect commercially sensitive third party information that is not in the public domain.

2. Incoming correspondence from SNC-Lavalin dated October 15, 2018

A copy of the correspondence is attached, which has been redacted in three places: two to protect commercially sensitive third party information that is not in the public domain, and another to protect personal information.

3. Date when the Prime Minister's Office was informed of the decision of the Director of Public Prosecutions not to invite SNC-Lavalin to negotiate a remediation agreement


Canada

The decision is noted in the correspondence from SNC-Lavalin dated October 15, 2018. There are no other records under the control of the Privy Council Office that indicate the date that the Prime Minister's Office was informed.

4. Chronology of the Clerk of the Privy Council's engagement with SNC-Lavalin

Attached is a copy of the chronology. Committee members will note that on October 15, 2018, I received a call from the Honourable Kevin G. Lynch, Chairman of the Board of SNC-Lavalin. Mr. Lynch was expressing concerns regarding the situation of the company. I replied that the matter was before the court and that it was for the Minister of Justice and Attorney General to make decisions.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'M. Wernick', with a stylized flourish at the end.

Michael Wernick

Attachments

Clerk of the Privy Council and
Secretary to the Cabinet



Greffier du Conseil privé et
Secrétaire du Cabinet

Ottawa, Canada
K1A 0A3

MAR 06 2019

Monsieur Anthony Housefather, député
Président
Comité permanent de la justice et des droits de la personne
Sixième étage, 131, rue Queen
Chambre des communes
Ottawa (Ontario)
K1A 0A6

Monsieur,

La présente vise à fournir des renseignements factuels supplémentaires en réponse à des demandes présentées par les membres du Comité lors de ma comparution le 21 février 2019. Le Comité notera qu'en certains endroits, l'information n'est pas divulguée puisqu'il s'agit de renseignements confidentiels, ce qui correspond à l'approche précisée à la section E.4., « L'appui à l'obligation ministérielle de rendre compte au Parlement » du document *Pour un gouvernement ouvert et responsable*, 2015 (<https://pm.gc.ca/fra/nouvelles/2015/11/27/gouvernement-ouvert-et-responsable>).

1. Notes prises par Catrina Tapley, sous-secrétaire du Cabinet (Opérations) lors de la rencontre du 18 septembre 2018 avec des représentants de SNC-Lavalin

Vous trouverez ci-joint une copie des notes manuscrites, qui ont été caviardées à deux endroits pour protéger des renseignements commerciaux confidentiels provenant de tierces parties qui ne sont pas du domaine public.

2. Correspondance reçue de la part de SNC-Lavalin datée du 15 octobre 2018

Vous trouverez ci-joint une copie de la correspondance, qui a été caviardée à trois endroits : à deux endroits pour protéger des renseignements commerciaux confidentiels provenant de tierces parties qui ne sont pas du domaine public et à un autre endroit pour protéger des renseignements personnels.

Canada

3. Date à laquelle le Cabinet du premier ministre a été informé de la décision de la directrice des poursuites pénales de ne pas inviter SNC-Lavalin à négocier un accord de réparation

La décision est mentionnée dans la correspondance de SNC-Lavalin du 15 octobre 2018. Le Bureau du Conseil privé ne possède aucun autre document qui indique la date à laquelle le Cabinet du premier ministre a été informé de la décision.

4. Chronologie des discussions du greffier du Conseil privé avec SNC-Lavalin

Vous trouverez ci-joint une copie de la chronologie. Les membres du Comité remarqueront que j'ai reçu un appel de l'honorable Kevin G. Lynch, président du conseil d'administration de SNC-Lavalin, le 15 octobre 2018. M. Lynch a exprimé des inquiétudes par rapport à la situation de l'entreprise. Je lui ai répondu que la question était devant les tribunaux et que les décisions revenaient à la ministre de la Justice et procureure générale.

Je vous prie d'agréer, Monsieur, l'expression de mes sentiments les meilleurs.



Michael Wernick

Pièces jointes

Screen B
Eric

Date Sept 18/18

Bind™

Neil Bruce (joined 2013)

Sandi Marks is

rehab company

SNC

Miracle

1 change to company 6 years on
2015 change 20,000 → 9,000 jobs

Share price ↓ Shareholders / pension funds ↓
were looking forward to DPA

Initial indication not invited in to discussion

① Company / senior officers aware of restructuring
Yakovlevi → surprised

② Self-reporting (prior to leg coming in)

③ action piece

Redirection → way to settle want employees etc
being expected

Bind™

20 Sept — 90 day period after legislation
- by next wk we will have to
answer questions

Miracle

NO hasn't been confirmed to us yet.

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57,000 employees → no one involved in this

Miracle

here's the reason → put forward by court case
social/educ aspects

MW

→ TV

OPD

pres gov't shielded from political pressure
 re: no dialogue w/ the "regular"
 all done diligently.

→ people want to make sure we best the likes
 of this

→ Remediation Agreements.

even without v. public interest
 go to Kathleen on public interest agreement.
 will want to get it right (now interest in interest
 first paragraph.

Neil Bruce

Sent replies to local prosecutor.

Colo expert fir (biggest customer)

Colo shareholder [CPDA biggest shareholder]

Star witness is guy who caused the problem
 also just to 5/5M suit

latitude within the Act.

→ time to consider them.

Concert cause should 24 Oct

Timing → DPP back today

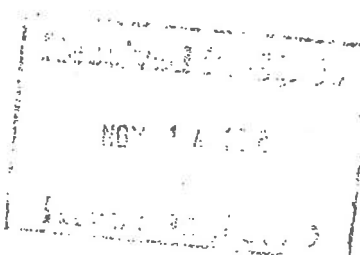
will have our rep.

Yickubase

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MW → Paul gave the test; if not when then when would give!

51V



83170547



SNC-LAVALIN

Privileged and Confidential

October 15, 2018

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
Langevin Block
80 Wellington Street
Ottawa, Ontario K1A 0A2

Dear Prime Minister,

I am writing to request a meeting at your earliest convenience to discuss a matter of some urgency. You will undoubtedly have heard about, if not been briefed on, recent developments that impacted SNC-Lavalin. Early last week, SNC-Lavalin was advised by the Director of the Public Prosecution Service of Canada (DPPSC) that at this time they will not invite SNC-Lavalin to negotiate a Remediation Agreement (RA). As a publicly traded company, we disclosed such material information the following day and experienced one of the darkest days in SNC-Lavalin's history.

The Government of Canada's decision to consider a made in Canada Deferred Prosecution Agreement or RA regime, and to embark upon in depth consultations, was important from the perspective of enhancing Canadian competitiveness and levelling the playing field against our key competitors. This was followed by exhaustive legislative activities that led to Royal Assent of the RA regime on June 20, and coming into force on September 20, 2018. It was the will of Parliament and of your Government that this tool be made available to the Public Prosecution Service of Canada. Yet, for the present, the DPPSC has used her discretion not to apply the tool in the case of SNC-Lavalin.

This was very disappointing news for a number of reasons.

First, SNC-Lavalin has not been treated very well over the past several weeks.

- The Company's adviser and counsel with the PPSC, a well-respected expert in the law whose credentials are impeccable, former Justice of the Supreme Court of Canada, was not afforded the courtesy of a meeting or even a call with the DPPSC after several requests were made, to explain SNC-Lavalin's rationale to enter into RA negotiations.
- SNC-Lavalin found out from the PPSC spokesperson, in the public domain, that somehow we "did not meet the criteria".
- The Crown has decided to charge and pursue the company and innocent employees, but not the ones who have been involved in the misconduct and who have all left the firm.



SNC-LAVALIN

Second, SNC-Lavalin believes that it does meet the requirements to enter into an RA negotiation with the PPSC and so therefore strongly disagrees with the DPPSC's current position.

On this, we have been encouraged to write to the DPPSC to try to explain the rationale for re-consideration. Whatever the outcome, we remain open and committed to negotiating such an agreement in the interest of its employees, partners, clients, investors, pensioners and other stakeholders, all innocent parties that have been affected during the last six years, and now face an unnecessary extended period of uncertainty. All those who allegedly engaged in the misconduct left the company many years ago, so any negative impact on the company would only affect innocent employees.

Third, it is in the public interest to enter into RA negotiations because SNC-Lavalin is a much changed company. Since 2012, SNC-Lavalin has developed and built a world-class ethics and compliance framework. This has been embodied to the extent that 'Integrity' has become one of the Company's core values. The Company has also co-operated fully with regulatory and government authorities.

The Company has tirelessly worked towards a world class ethics and compliance culture through many actions, including the following:

- Leadership at the Board and Executive Management levels has turned over 100 percent with an enhanced culture of integrity,
- Establishment of a world-class ethics and compliance framework,
- An administrative agreement concerning ethics and compliance with Public Services and Procurement Canada to continue to bid on services work with the Government of Canada,
- Recent agreements in close cooperation with the Commissioner of Canada Elections and with the Ordre des Ingénieurs du Québec,
- A fair and final settlement with Quebec's voluntary reimbursement program,
- Renewal of certification to bid on work in Quebec via Autorité des marchés financiers (AMF),
- Settlement of class actions in Quebec and Ontario filed in 2012 on behalf of security holders.

Fourth, SNC-Lavalin has experienced highly material impacts on all of its stakeholders - all of whom are innocent bystanders - over the past six years. Last week, they had to experience the negative impacts again, for a second time.

For example, in addition to the two pensions plans - Caisse de Depots et de Placements du Quebec and the Canadian Pension Plan - at least * other top institutions in Canada hold SNC-Lavalin shares for pension and mutual funds as well as for individual accounts. Given that * percent of SNC-Lavalin's shareholders are Canadian, the erosion in stock price of last Wednesday impacted many innocent Canadians who are saving for the future. In the past quarter, which includes the status of relations with the Kingdom of Saudi Arabia, SNC-Lavalin's market capitalization has declined by about *. Surely this is not a fair or just outcome for Canadian savers, as it is not for the approximate 9,000 employees in Canada across 200 offices from coast to coast who have stock savings plans, as well as the 43,000 employees who work outside of the country.

***Confidential Commercial Information**



SNC • LAVALIN

To conclude, Prime Minister, I have to ask if it is in the public interest to prosecute SNC-Lavalin, and to try to achieve a guilty verdict.

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The answer to this question, may I respectfully and humbly suggest, was given by you some three years ago when you were Leader of Her Majesty's Loyal Opposition. In a meeting with my predecessor, Robert Card, you observed that SNC-Lavalin was a "fleuron of Quebec and of Canada."

Prime Minister, I could not agree more. As a crown jewel, SNC-Lavalin remains an important part of the fabric of Canadian society, of that of Quebec, in the heart of Montreal. The executive and senior management team, and the Board, have helped engineer a remarkable transition and rebirth of the company.

Personal Information

It would be great to have the opportunity to rebuild the Canadian operations from the loss of almost 10,000 mostly high-paying, high value added jobs in the past six years.

This, so that it can continue to develop and deliver great projects to clients and contribute to Canadian society both nationally and globally. Just in Canada today, SNC-Lavalin is the lead or co-lead on several major projects that provide clean, safe and innovative energy and transportation solutions to Canadians -- Bruce Power and Ontario Power Generation nuclear refurbishments, Chalk River nuclear site development project, Eglington LRT, Ottawa LRT, Réseau Express Métropolitain design, construction, operations and maintenance, the new Champlain Bridge construction, operations and maintenance, and the Husky White Rose offshore oil project in Newfoundland.

On behalf of all of SNC-Lavalin's employees, both inside and outside of Canada, and all of our stakeholders, I hope that we will be able to meet as soon as possible on this matter. My colleagues will contact your office to see what may be possible in the very near term.

With best regards,


Neil Bruce
President and Chief Executive Officer
SNC-Lavalin

Clerk contact with SNC

May 11 & 17, 2017

Request from Paule Gingras, Executive Assistant to the President of SNC-Lavalin for a meeting with Mr. Wernick. Request denied and suggested Catrina Tapley, Deputy Secretary, Operations but SNC-Lavalin preferred waiting.

August 10 & 11, 2017

Request from Sam Boutziouvis, VP, Government Relations, SNC-Lavalin, for a meeting. Again, Mr. Wernick not available and suggested Catrina Tapley.

September 18, 2018

Meeting with SNC-Lavalin - Neil Bruce, CEO, Erik Ryan, Executive VP and Sam Boutziouvis. Attended by Catrina Tapley.
(Registered on Lobbyist Registry)

October 3, 2018

NAC Gala

October 6, 2018

Request from Sam Boutziouvis for a call but referred to Catrina Tapley on October 9th.

October 15, 2018

Call from Kevin Lynch at 11:00 am.

December 3, 2018

E-Mail from Sam Boutziouvis attaching Globe and Mail article.

December 13, 2018

E-Mail from Sam Boutziouvis outlining a Frederic Tomesco, Bloomberg article.

Contacts entre le greffier et SNC

11 et 17 mai 2017

Demande de M^{me} Paule Gingras, adjointe de direction du président de SNC-Lavalin, pour organiser une rencontre avec M. Wernick. La demande est refusée et on suggère à M^{me} Gingras de parler à M^{me} Catrina Tapley, sous-secrétaire, Opérations, mais la représentante de SNC-Lavalin préfère attendre.

10 et 11 août 2017

Demande de Sam Boutziouvis, vice-président, Relations gouvernementales, SNC-Lavalin, pour une rencontre. Une fois de plus, M. Wernick n'est pas disponible; on suggère à M. Boutziouvis de parler à Catrina Tapley.

18 septembre 2018

Rencontre avec des représentants de SNC-Lavalin (Neil Bruce, président et chef de la direction, Erik Ryan, vice-président directeur et Sam Boutziouvis).
Catrina Tapley assiste à la rencontre.
(Inscrite au registre des lobbyistes)

3 octobre 2018

Gala du CNA

6 octobre 2018

Demande d'entretien téléphonique de Sam Boutziouvis, mais transféré à Catrina Tapley le 9 octobre.

15 octobre 2018

Appel de Kevin Lynch à 11 h.

3 décembre 2018

Courriel de Sam Boutziouvis avec l'article du *Globe and Mail* en pièce jointe.

13 décembre 2018

Courriel de Sam Boutziouvis au sujet d'un article de Frederic Tomesco (Bloomberg).